

**THIRTY-NINTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND  
Red River Parish, Louisiana**

**Financial Statements**  
For the year ended June 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

**JAN 25 2012**

**THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**

**Red River Parish, Louisiana**

Financial Statements

June 30, 2011

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**Independent Accountant's Compilation Report**

Brian McRae, Chief Public Defender  
Thirty-ninth Judicial District Indigent Defender Fund  
Red River Parish  
Coushatta, Louisiana

I have compiled the accompanying financial statements of the governmental activities and each major fund of the Thirty-ninth Judicial District Indigent Defender Fund as of and for the year ended June 30, 2011, which collectively comprise the Fund's basic financial statements as listed in the table of contents. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Thirty-ninth Judicial District Indigent Defender Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the Thirty-ninth Judicial District Indigent Defender Fund in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The budgetary comparison information, on page 13 through 14 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

The Fund has not presented management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

*Deborah D. Dees, CPA*

Certified Public Accountant  
Mansfield, Louisiana  
November 30, 2011

## Basic Financial Statements

**THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**  
**Red River Parish, Louisiana**

**GOVERNMENTAL FUND BALANCE SHEET/ STATEMENT OF NET ASSETS**

June 30, 2011

	Governmental Fund Statements		Government-Wide Statements
	<u>General Fund Balance Sheet</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 59,895	\$ -	\$ 59,895
<b>Total Assets</b>	<u>\$ 59,895</u>	<u>-</u>	<u>59,895</u>
<b>LIABILITIES</b>			
Current Liabilities			
Payroll tax liabilities	\$ 641	-	641
<b>Total Liabilities</b>	<u>641</u>	<u>-</u>	<u>641</u>
<b>FUND BALANCE/ NET ASSETS</b>			
Fund Balance			
Unassigned	59,254	(59,254)	-
<b>Total Fund Balance</b>	<u>59,254</u>		
<b>Total Liabilities and Fund Balance</b>	<u>\$ 59,895</u>		
<b>Net Assets</b>			-
Unrestricted		\$ 59,254	59,254
<b>Total Net Assets</b>			<u>\$ 59,254</u>

**THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**  
**Red River Parish, Louisiana**

**GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2011

	Governmental Fund Statement		Government-Wide Statements
	Statement of Revenues, Expenditures, and Changes in Fund Balance		Statement of Activities
	General Fund	Adjustments	
<b>EXPENDITURES/PROGRAM EXPENSES</b>			
Judiciary:			
Personnel Services & Benefits	\$ 32,798		\$ 32,798
Operating Costs	101,374		101,374
Total Expenditures/Judiciary Program Expenses	<u>134,172</u>	<u>-</u>	<u>134,172</u>
<b>PROGRAM REVENUES</b>			
Operating grants and contributions			
State government appropriations-general	25,756		25,756
Charges for services			
Local Government fines, fees, & court costs	62,960		62,960
Total Program Revenues	<u>88,716</u>	<u>-</u>	<u>88,716</u>
<b>GENERAL REVENUES</b>			
Investment earnings	197		197
Total General Revenues	<u>197</u>	<u>-</u>	<u>197</u>
Total Program and General Revenues	<u>88,913</u>	<u>-</u>	<u>88,913</u>
<b>Excess of Revenues over Expenditures</b>	(45,259)		
<b>Change in Net Assets</b>			(45,259)
<b>Fund Balance/ Net Assets:</b>			
Beginning of year	104,513		104,513
End of year	\$ <u>59,254</u>	\$ <u>-</u>	\$ <u>59,254</u>

See accountant's compilation report and accompanying notes.

## Notes to the Financial Statements

# THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

## Red River Parish, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2011

#### INTRODUCTION

The Thirty-ninth Judicial District Indigent Defender Fund (ID Fund) was established in compliance with Louisiana Revised Statutes 15:168 on August 15, 2007. The purpose of the Fund is to provide and compensate counsel appointed to represent indigents in criminal and quasi-criminal cases on the district court level. The district fund is regulated by the Louisiana Public Defender Board established by Louisiana Revised Statute 15:141-184 to provide effective legal representation to criminal defendants who are unable to afford an attorney, consistent with the right to counsel in our criminal courts, mindful of the need for law and order and an appreciation of victim's rights. The Fund is administered by the district public defender who is contracted with the Louisiana Public Defender Board to provide for the delivery and management of public defenders services within the judicial district. The judicial district encompasses the Parish of Red River, Louisiana.

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Thirty-ninth Judicial District Indigent Defender Fund have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis—for State and Local Governments*, issued in June 1999.

##### Fund Financial Statements

The column labeled General Fund Balance Sheet (Statement A) and the column labeled General Fund (Statement B) represent the financial transactions of the Thirty-ninth Judicial District Indigent Defender Fund that are recorded in individual funds in the fund financial statements. The ID Fund uses funds to maintain the financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the governmental funds according to the purpose for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the ID Fund. The following is the ID Fund's only governmental fund:

General-Fund - the General Fund is the primary operating fund of the Thirty-ninth Judicial District Indigent Defender Fund and accounts for all financial resources. The various statutory fees and charges due to the Fund are accounted for in this fund. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Fund's policy.

##### Government-Wide Financial Statements

The column labeled Statement of Net Assets (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Thirty-ninth Judicial District Indigent Defender Fund as a whole. These statements include all the financial activities of the ID Fund. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the ID fund's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods and services offered by the program, and (b) grants and contributions that are restricted to meeting the operational



# THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

## Red River Parish, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2011

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### A. BASIS OF PRESENTATION (continued)

or capital requirements of a particular program. Revenues that are not classified as program revenues, including interest revenue, are presented as general revenues.

##### *Adjustments to Reconcile Fund Financial Statements to Governmental-Wide Statements*

Total Net Assets reported for Governmental Activities in the Statement of Net Assets (Statement A) is equal to the Governmental Fund Balance for the Thirty-ninth Judicial District Indigent Defender Fund. The Total Net Change in Net Assets for Government Activities in the Statement of Activities (Statement B) is also the same for the Governmental Change in fund Balance.

##### B. REPORTING ENTITY

For financial reporting purposes, in conformity with Governmental Accounting Standards Board (GASB) Statement No. 14, the Thirty-ninth Judicial District Indigent Defender Fund is a part of the operations of the district court system. However, the state statutes that create the indigent defender funds also gives the funds control over their operations including the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of monies. The Thirty-ninth Judicial District Indigent Defender Fund is financially independent and operates autonomously from the State of Louisiana and independently from the district court system. Therefore, the Fund reports as an independent reporting entity and the financial statements include only the transactions of the Thirty-ninth Judicial District Indigent Defender Fund.

##### C. MEASUREMENT FOCUS / BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

##### **Accrual Basis—Government-Wide Financial Statements**

The Statement of Net Assets and the Statement of Activities have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

##### **Modified Accrual Basis—Fund Financial Statements**

The amounts reflected in the General Fund of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the ID Fund's operations.

The amounts reflected in the General Fund of Statements A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough

# **THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**

## **Red River Parish, Louisiana**

### **NOTES TO THE FINANCIAL STATEMENTS**

As of and for the Year Ended June 30, 2011

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **C. MEASUREMENT FOCUS / BASIS OF ACCOUNTING (continued)**

thereafter to pay liabilities of the current period. The Thirty-ninth Judicial District Indigent Defender Fund considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on long-term debt which is recognized when due, and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures.

##### **Revenues**

Fines, forfeitures, fees and court costs imposed by the district and city courts are recorded in the year that they are collected by the sheriff and city court within the judicial district.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recorded when received by the Fund.

Based on the above criteria, fines, forfeitures, fees and court costs are treated as susceptible to accrual.

##### **Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

##### **D. BUDGET PRACTICES**

The Indigent Defender Fund's Chief Defender directs the preparation of a proposed budget and submits it to the Louisiana Public Defender Board for approval by a specified date. Annually the Indigent Defender Fund adopts a budget for the General Fund on the cash basis of accounting. Amounts are available for expenditures only to the extent included within the budget. All appropriations lapse at year-end. The Thirty-ninth Judicial District Indigent Defender Fund's budgeted revenues exceed actual revenues by 6%. This is not in compliance with the Louisiana Local Budget Act by 1%. Actual expenses are less than budgeted expenditures.

##### **E. CASH AND CASH EQUIVALENTS**

Cash equivalents include amounts in demand deposits, interest-bearing demand deposits, and time deposits and other investments with original maturities of 90 days or less when purchased. Under state law, the Fund may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and any other state of the United States, or under the laws of the United States.

##### **F. CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). The Thirty-ninth Judicial District Indigent Defender Fund has no capital assets.

##### **G. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

## Red River Parish, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2011

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### H. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as net assets and is displayed in three components:

**Invested in Capital Assets, net of related debt**

This category consists of capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowing attributable to the acquisition, construction or improvement of capital assets.

**Restricted Net Assets**

This category consists of net assets with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**Unrestricted Net Assets**

This category represents net assets not appropriable for expenditures or legally segregated for a specific future use.

As of these financial statements, the Indigent Defender has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements.

- ***Nonspendable.*** Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- ***Restricted.*** Amounts that can be spent only for specific purposes because of the state or federal laws, or externally imposed conditions.
- ***Committed.*** Amounts that can be used only for specific purposes determined by a formal action by the Chief Defender.
- ***Assigned.*** Amounts that are designated by the Chief Defender for a specific purpose but are not spendable until the budget is approved by the State.
- ***Unassigned.*** All amounts not included in other spendable classifications.

The Indigent Defender Fund has only unassigned fund balance.

#### 2. CASH AND CASH EQUIVALENTS

At June 30, 2011, the Thirty-ninth Judicial District Indigent Defender Fund has cash and cash equivalents (book balances) totaling \$59,895 in demand deposits.

These deposits, \$60,052 (bank balances), are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These deposits are secured by federal deposit insurance.

#### 3. COMMITMENT AND CONTINGENCIES

The Thirty-ninth Judicial District Indigent Defender Fund is not currently named as defendant in any current or pending litigation.

The ID Fund participates in certain state-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

# THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

## Red River Parish, Louisiana

### NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2011

#### 4. RELATED PARTY TRANSACTIONS

FASB 57 requires the disclosure of the description of the relationship, the transactions, the dollar amount of the transactions, and any amounts due to or from that result from related party transactions. There were no related party transactions.

#### 5. GOVERNMENTAL FUND REVENUES AND EXPENDITURES

Revenues:		
State Government		
Appropriations - General	\$	25,756
Appropriations - Special		-
Revenue Sharing		-
Grants		-
On-behalf Payments		-
Other		-
Total		\$ 25,756
Local Government		
Appropriations - General	\$	-
Appropriations - Special		-
Grants		-
Statutory Fines, Forfeitures, Fees		-
Court Costs, & Other		62,000
Criminal Court Fund		-
On-behalf Payments		-
Other		-
Total		\$ 62,000
Federal Government		
Grants - Direct	\$	-
Grants - Indirect (passed through state)		-
Total		\$ -
Other Grants & Contributions		
Non-profit Organizations	\$	-
Private Organizations		-
Corporate		-
Other		-
Total		\$ -
Charges for Services		960
Investment Earnings		197
Miscellaneous		-
Total Revenues		\$ <u>88,913</u>

**THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**

**Red River Parish, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**

As of and for the Year Ended June 30, 2011

**5. GOVERNMENTAL FUND REVENUES AND EXPENDITURES (continued)**

Expenditures:		
Personnel Services & Benefits -	\$	-
Salaries		30,594
On-behalf Payments - Salaries		-
Retirement Contributions		-
On-behalf Payments - Retirement		-
Insurance		-
On-behalf Payments - Insurance		-
Payroll Taxes		2,203
Other		-
Total		<u>32,797</u>
	\$	
Professional Development -		
Dues, Licenses, & Registrations	\$	-
Travel		-
Other		-
Total		<u>-</u>
	\$	
Operating Costs -		
Library & Research	\$	-
Contract Services - Attorney/Legal		83,245
Contract Services - Other		3,298
Lease - Office		-
Lease - Autos & Other		1,325
Travel - Transportation		-
Travel - Other		-
Insurance		5,769
Supplies		595
Repairs & Maintenance		-
Utilities & Telephone		2,393
Other		4,750
Total		<u>101,375</u>
	\$	
Debt Service		-
Capital Outlay		-
Total Expenditures	\$	<u><u>134,172</u></u>

## Required Supplemental Information

**THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**  
**Red River Parish, Louisiana**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For the Year Ended June 30, 2011

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
	\$	\$	\$	\$
<b>REVENUES</b>				
State Government				
Appropriations - general	40,000	40,000	25,756	(14,244)
Local Government				-
Court fees	50,000	50,000	55,118	5,118
Bond fees and forfeitures	4,500	4,500	6,882	2,382
Application Fees	-	-	960	960
Investment earnings	400	400	197	(203)
	<u>94,900</u>	<u>94,900</u>	<u>88,913</u>	<u>(5,988)</u>
<b>Total General Revenues</b>				
<b>EXPENDITURES</b>				
Operating Costs				
Contract services - attorney / legal	99,900	99,900	83,245	16,655
Salaries	35,100	35,100	30,594	4,506
Payroll taxes	-	-	2,203	(2,203)
Investigators and expert witnesses	6,600	6,600	3,298	3,302
Professional fees	500	500	750	(250)
Rent	-	-	4,000	(4,000)
Insurance	-	-	5,769	(5,769)
Travel and mileage	1,000	1,000	1,325	(325)
Utilities and telephone	2,600	2,600	2,393	207
Office supplies	-	-	595	(595)
Total Operating Costs	<u>145,700</u>	<u>145,700</u>	<u>134,172</u>	<u>11,528</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(50,800)</u>	<u>(50,800)</u>	<u>(45,259)</u>	
<b>Net Change in Fund Balances</b>	(50,800)	(50,800)	(45,259)	
Fund Balance, Beginning of year	104,513	104,513	104,513	
Fund Balance, End of year	<u>\$ 53,713</u>	<u>\$ 53,713</u>	<u>\$ 59,254</u>	

**THIRTY-NINTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**  
**Red River Parish, Louisiana**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
*As of and for the Year ended June 30, 2011*

**Budgetary Information**

The District Public Defender directs the preparation of a proposed budget and submits it to the Louisiana Public Defender Board for approval by a specified date. Annually the Indigent Defender Fund adopts a budget for the General Fund on the modified accrual basis of accounting. Amounts are available for expenditures only to the extent included within the budget. All appropriations lapse at year-end.

The Louisiana Local Government Budget Act Section 1305(E) provides that "the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year." The "total estimated funds available" is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

The Louisiana Local Government Budget Act also requires a budget to be amended if actual revenues are failing to meet total budgeted revenues by five percent or more and if actual expenditures are exceeding the total budgeted expenditures by five percent or more. The Thirty-ninth Judicial District Indigent Defender Fund's actual revenue are less than budgeted revenue by 6%. Actual expenses are more than budgeted expenditures by 5%. The budget was not amended during the year. The fund is not in compliance with the Louisiana Local Budget Act.



## **Red River Parish, Louisiana**

### **Schedule of Findings and Responses For year ended June 30, 2011**

2011-01. Budget violation.

**Criteria:** The Louisiana Local Government Budget Act also requires a budget to be amended if actual revenues are failing to meet total budgeted revenues by five percent or more and if actual expenditures are exceeding the total budgeted expenditures by five percent or more.

**Finding:** The Thirty-ninth Judicial District Indigent Defender Fund's actual revenues are less than budgeted revenue by 6%. Actual expenses are more than budgeted expenditures by 5%. The budget was not amended during the year. The fund is not in compliance with the Louisiana Local Budget Act.

**Management's Response:** The Fund did not receive the state appropriation that was requested and the budget was not amended to reflect this change. Although we received more in bond and court fees, it was not enough to make up the difference as we had thought. Thus, we missed the budget by six percent instead of the mandated five percent. We will be more vigilant in the coming year.